



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 6, 2005

H.R. 1817 **Department of Homeland Security Authorization Act** **for Fiscal Year 2006**

As ordered reported by the House Committee on Homeland Security on April 27, 2005

SUMMARY

H.R. 1817 would authorize the appropriation of \$34.2 billion for fiscal year 2006 to fund the major operations of the Department of Homeland Security (DHS). CBO estimates that implementing H.R. 1817 would cost about \$33 billion over the 2006-2010 period, assuming appropriation of the authorized amounts. Enacting the bill would not affect direct spending or receipts.

H.R. 1817 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by exempting certain information related to critical infrastructure from state and local laws that provide public access to information. CBO estimates that the costs, if any, to state and local governments would be minimal and well below the annual threshold established in that act (\$62 million in 2005, adjusted annually for inflation). H.R. 1817 contains no new private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1817 is shown in the following table. For this estimate, CBO assumes that the authorized amounts will be appropriated near the beginning of fiscal year 2006 and that outlays will follow the historical spending rates for these activities. The costs of this legislation fall within budget functions 050 (national defense), 300 (natural resources and environment), 400 (transportation), 450 (community and regional development), 550 (health), 600 (income security), 750 (administration of justice), and 800 (general government).

		By Fiscal Year, in Millions of Dollars					
		2005	2006	2007	2008	2009	2010
SPENDING SUBJECT TO APPROPRIATION							
Department of Homeland Security							
Spending Under Current Law							
Estimated Budget Authority ^a		38,469	0	0	0	0	0
Estimated Outlays		31,928	14,443	7,939	3,475	1,308	594
Proposed Changes							
Authorization Level		0	34,152	0	0	0	0
Estimated Outlays		0	17,418	7,513	5,123	2,391	683
Department of Homeland Security							
Spending Under H.R. 1817							
Authorization Level ^a		38,469	34,152	0	0	0	0
Estimated Outlays		31,928	31,861	15,452	8,598	3,699	1,277

a. The estimated 2005 level is the amount of appropriations less offsetting collections for that year for operations of DHS.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1817 contains an intergovernmental mandate as defined in UMRA by exempting certain information related to critical infrastructure from state and local laws that provide public access to information. CBO estimates that the costs, if any, to state and local governments would be minimal and well below the annual threshold established in that act (\$62 million in 2005, adjusted annually for inflation). H.R. 1817 contains no new private-sector mandates as defined in UMRA.

Section 306 would require the Secretary of the Department of Homeland Security to issue regulations for the security of maritime cargo moving within the intermodal transportation system. Those regulations would relate to the securing, recording, and verifying of seals on maritime cargo containers in the hauling of cargo from one mode of transportation to another. According to DHS, a notice of proposed rulemaking that incorporates the recommendations referred to in the bill has been drafted and is pending review. Based on information from DHS, CBO anticipates that the Secretary will issue those regulations. Thus, CBO expects that the provisions in this section would impose no additional mandates on public or private-sector entities.

State and local governments would benefit from programs to improve interoperable communications and to reimburse costs for having law enforcement officers trained to

enforce immigration laws. Any costs incurred by those governments would be incurred voluntarily.

ESTIMATE PREPARED BY:

Federal Costs: Mark Grabowicz

Impact on State, Local, and Tribal Governments: Melissa Merrell

Impact on the Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis